

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL  
ADOPTING SELECTED SALARY RANGES AND JOB TITLES  
FOR MANAGEMENT, PROFESSIONAL AND CONFIDENTIAL EMPLOYEES.  
THIS RESOLUTION RESCINDS RESOLUTION 5872.**

WHEREAS, the City Manager has presented to the City Council of the City of Morgan Hill a recommended set of salary ranges and benefits for the Management, Professional and Confidential employees; and

WHEREAS, the City Council of the City of Morgan Hill has reviewed said recommendations;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Morgan Hill as follows:

**SECTION 1 — SALARY RANGES**

- A. These separate salary ranges are hereby established effective June 18, 2006 and reflect a three-and-one-half percent (3.5%) increase over the ranges established March 27, 2005.

Group 1-A and 1-B base salary ranges include the 7% employee or 9% for Public Safety Employees) PERS contribution which is deducted from payroll.

Group 1-C base salary ranges do not include the 7% employee PERS contribution, however, the City will report the value of employer paid member contributions to CalPERS as additional compensation.

<b>JOB CLASSIFICATION</b>	<b>SALARY RANGE</b>		
<b>Executive Management - Group 1-A</b>	<b>Bottom</b>	<b>Top</b>	<b>Performance Pay</b>
Chief of Police	\$9,780	\$12,230	\$12,535
Director of Business Assistance & Housing Services	\$9,600	\$12,005	\$12,300
Director of Community Development	\$9,600	\$12,005	\$12,300
Director of Finance	\$9,600	\$12,005	\$12,300
Director of Public Works/City Engineer	\$9,600	\$12,005	\$12,300
Human Resources Director	\$9,600	\$12,005	\$12,300
Recreation and Community Services Director	\$9,600	\$12,005	\$12,300
Assistant to the City Manager	\$8,280	\$10,350	\$10,615
Council Services and Records Manager	\$7,315	\$9,145	\$9,370

<b>Middle Management - Group 1-B</b>	<b>Bottom</b>	<b>Top</b>	<b>Performance Pay</b>
Deputy Director of Public Works	\$8,280	\$10,350	\$10,615
Program Administrator	\$8,280	\$10,350	\$10,615
Police Commander	\$7,865	\$9,835	\$10,085
Assistant Director of Finance	\$7,315	\$9,145	\$9,370
Chief Building Official	\$7,315	\$9,145	\$9,370
Planning Manager	\$7,315	\$9,145	\$9,370
Senior Civil Engineer	\$7,315	\$9,145	\$9,370
Senior Project Manager/Community Buildings	\$7,315	\$9,145	\$9,370
Senior Project Manager/Public Works	\$7,315	\$9,145	\$9,370
Police Support Services Manager	\$6,775	\$8,470	\$8,685
Utility Systems Manager	\$6,775	\$8,470	\$8,685
Budget Manager	\$6,305	\$7,880	\$8,080
Business Assistance and Housing Services Manager	\$6,305	\$7,880	\$8,080
Senior Planner*	\$6,305	\$7,880	\$8,080
Project Manager	\$6,305	\$7,880	\$8,080
Sr. BAHS Coordinator	\$5,705	\$6,935	\$7,275
Recreation Supervisor	\$5,310	\$6,630	\$6,795
Office of Emergency Services (OES) Coordinator	\$4,840	\$6,050	\$6,205
Secretary to the City Manager	\$4,575	\$5,720	\$5,865
<b>Confidential Non-Exempt Employees - Group 1-C</b>	<b>Bottom</b>	<b>Top</b>	<b>Performance Pay</b>
Administrative Analyst	\$4,840	\$6,050	\$6,205
Secretary to the City Attorney	\$4,575	\$5,720	\$5,865
Accounting Technician	\$4,055	\$5,070	\$5,190
Human Resources Assistant	\$3,080	\$3,855	\$3,955

- \* The Senior Planner job description incorporates the ability to add special assignments to the Senior Planner position to manage considerably more responsible and/or more complex duties. When such duties are assigned to the Sr. Planner position a salary enhancement of ten percent (10%) is added to the salary range.

## **SECTION 2 — ESTABLISHMENT OF COMPENSATION GROUPS 1-A-B-C**

- A. The City Manager will establish the monthly compensation for the classifications in Section 1-A within the prescribed ranges and may adjust or maintain the level of compensation within the prescribed range. The City Manager has the authority to increase the monthly compensation for employees in Section 1-A by a maximum of 10% each fiscal year based on each executive manager's performance and the authority to hold a manager's monthly pay rate at its current rate.
- B. Each Department Director will recommend to the City Manager the proposed monthly salary to be paid to each of the employees whose classification appears in Section 1-B or 1-C. Upon approval of the City Manager, the monthly salary will be set within the prescribed range for each classification. The City Manager has the authority to increase the monthly compensation for employees in Section 1-B and C, by a maximum of 10% each fiscal year based on each

individual employee's performance.

- C. For employees listed in Sections 1-A, 1-B, and 1-C, the last 2.5% of the salary range has been designated as performance bonus pay. Employees are eligible to have their base salary set in the last 2.5% of their respective range provided they have progressed to the end of their salary range and receive and maintain above average performance as identified by their performance evaluation. The criteria for an above average performance evaluation are as follows: at least half of the rating factors must be scored at the "exceeds expectations" level and no rating factor can be scored at the "not satisfactory" level.
- D. The City will contribute to a City-sponsored IRS 457 deferred compensation program of the employee's choice (ICMA or Hartford) according to the following schedule:
  - 3% of base salary per pay period for employees who have been employed with the City for up to four years
  - 4% of base salary per pay period for employees who have been employed with the City from four to eight years
  - 5% of base salary per pay period for employees who have been employed with the City for over eight years

**SECTION 3 — CONTRIBUTION TO THE PERS RETIREMENT SYSTEM, GROUPS 1-A, B, C**

- A. Non-Safety employees listed in Sections 1-A, 1-B, and 1-C will receive PERS retirement benefits under the 2% at 55 plan. Effective June 18, 2006 the City will offer the PERS 2.5% @ 55 retirement program for non-safety employees. Employees will pay the additional 1% employee contribution rate for the 2.5% @ 55 retirement program. Should the employer contribution rate increase above the 14.753% as stated in the CalPERS Actuarial Statement dated June 14, 2005, management/confidential employees will pay 25% of the increase.
- B. Safety employees listed in Sections 1-A and 1-B, will receive PERS retirement benefits under the 3% at 50 plan.

**SECTION 4 — HEALTH CARE CONTRIBUTIONS AND IRS 125 PLAN, GROUPS 1-A, B, C**

**A. City Health Insurance Contributions**

For family health care allowance, City will pay 90% of the total cost of the lowest cost PEMHCA medical plan, plus dental

For employee plus one dependent, City will pay 96.5% of the total cost of the lowest cost PEMHCA medical plan, plus dental

At the time when the lowest cost medical plan plus dental coverage exceeds the \$610 health care allowance, the City shall provide one-hundred percent (100%) of the lowest cost medical health plan plus dental.

Medical and/or dental in-lieu pay will be \$610 per month.

- B. Employees listed in Sections 1-A, B and C who do not use their full health allowance may

use their surplus amount for optional benefits such as cancer or heart/stroke insurance premiums, vision, long term care insurance, or for participating in medical reimbursement or dependent care expense accounts. If employees do not use their surplus for optional benefits, it will be added to their salary as taxable income.

- C. The City will continue to offer an IRS 125 program.

## **SECTION 5 — GENERAL BENEFIT PROVISIONS, GROUPS 1-A, B AND C**

The City will comply with the requirements of the City Personnel Rules and Regulations and the Fair Labor Standards Act governing the use of taking and reporting time off work for management employees.

### **A. Sick Leave Accrual**

1. Sick Leave credit for employees will be accumulated on the basis of eight hours of sick leave per month. (96 hours per year)
2. The City will, at the end of each calendar year, pay each employee twenty-five (25%) percent of the unused sick leave earned that year unless the employee requests not to receive such a payment.
3. The balance of the unused sick leave will then be accumulated on an unlimited basis.
4. Upon retirement, 100% of the employee's unused sick leave balance will be credited to the employee's retirement eligibility. This amount would then be converted into time in service and added to the employee's retirement eligibility. (Reference - City contract with PERS, Section 20862.8)
5. Each employee may take 16 hours of personal leave time during the fiscal year which is charged against the current year's sick leave accrual.
6. The City Manager may negotiate establishing a leave "bank" with new employees at time of hire.

### **B. Holidays**

1. The City will grant the following paid holidays to employees listed in Sections 1-A, B and C:

New Year's Day  
Martin Luther King, Jr. Day  
President's Day  
Cesar Chavez Day  
Memorial Day  
Independence Day  
Labor Day  
Thanksgiving Day  
Day after Thanksgiving  
Christmas Eve  
Christmas Day

One-half day holiday to be observed on either the half-day preceding the Christmas Eve or the New Year's Day holiday  
Two floating holidays (These two floating holidays must be used during the fiscal year)

Holidays are worth eight (8) hours of time off; employees on alternate work schedules must use additional leave balances to receive full pay on a holiday.

2. With the approval of the employee's supervisor, employees may "float" holidays to another day within the same fiscal year provided they work on the holiday.

**C. Vacation Leave Accrual**

1. Each employee listed in Sections 1-A, B and C will be credited vacation on the basis of 120 hours per year for the first five (5) years of City service. After five (5) years of service, vacation will be credited on the basis of 160 hours per year.
2. The maximum accumulation of vacation will be no more than that earned for two years.
3. Additional vacation accrual will not be provided until the employee's vacation balance drops below the maximum accrual limit.
4. Employees listed in Sections 1-A, B and C may cash out up to 120 hours of accrued vacation or administrative leave per fiscal year.
5. The City Manager may negotiate vacation accrual rates and/or establishing a leave "bank" with new employees at time of hire.

**D. Administrative Leave, Groups 1-A and 1-B and 1-C**

1. Employees listed in Sections 1-A and 1-B receive and may use up to 72 hours administrative leave with pay per fiscal year.
2. Administrative leave time for employees in groups 1-A and B will be available for one additional year if not used in the fiscal year that it was initially available. If, however, the administrative leave time that was carried over to the following fiscal year is not used during the second year, it will be lost at the end of the second fiscal year. In effect, the maximum amount of administrative leave time that may be available to an employee at any given time is 144 hours.
3. Per Section 5.C.4, employees may cash out up to 120 hours of accrued administrative leave per fiscal year.

**E. Professional Development**

1. It shall be the philosophy of the City to encourage employees to attend classes, seminars, conferences, etc. which will enable the employee to develop professionally. Such attendance must be approved by the Department Director and the City Manager. The City may request employees who complete such a course to report or train other employees in the skills they have attained.
2. **Tuition Reimbursement Program**  
Employees listed in Sections 1-A, B and C are eligible to receive tuition reimbursement of up to \$1000 per fiscal year for the cost of books and tuition for

classes or courses beneficial to the employee's career development. All classes must be approved in advance by the Department Director or City Manager. Reimbursement will take place upon a successful completion or passing of the course.

3. **Membership Dues** — For employees listed in Sections 1-A and 1-B, the City shall provide a personal membership dues reimbursement of up to \$250.00 per fiscal year for costs associated with joining and participating in Morgan Hill community service organizations such as Rotary, Kiwanis, or Chamber of Commerce. Reimbursement of membership dues for community service organizations other than those listed above requires the prior approval of the City Manager.

**F. Life and Disability Insurance**

1. The City shall pay the premiums for short-term disability, long-term disability and life insurance plans.
  - a. Life insurance levels shall be as follows for the employees listed in Section 1:

Section 1-A	\$ 250,000
Section 1-B	\$ 150,000
Section 1-C	\$ 75,000
  - b. Short-term disability coverage for employees in Sections 1-A, B and C shall be at the maximum rate of \$925 per week based on 66 2/3% of the actual weekly salary after an eight-day elimination period.
  - c. Long-term disability coverage for employees in Sections 1-A, B and C shall be at the maximum rate of \$6,000.00 per month based on 66 2/3% of the actual monthly salary after a 60-day elimination period.

**G. Retirement Medical Plan**

1. Employees listed in Sections 1-A, B, and C may continue enrollment in the City's medical plans upon retirement. Such enrollment will be contingent upon the employee meeting the requirements of the medical plan and paying the monthly premium to PERS at the employee's expense. It will be the employee's responsibility to make sure the insurance premium is paid to PERS before the due date. Failure to do so will result in the employee being terminated from their medical coverage.

**H. Safety Employee Uniform Allowance**

Safety employees in Groups 1-A and B will be eligible for the following uniform allowance:

Chief of Police and Police Lieutenant	\$980.00
Police Support Services Manager	\$630.00

**I. Work Schedule**

The City Manager will establish the standard work schedule for employees listed in Sections 1-A, B and C. Based on the needs of the City, the City Manager may, at his/her discretion, change the work schedules of employees at any time.

**SECTION 6 — EFFECTIVE DATE**

This resolution shall be effective June 18, 2006. Compensation shall be made available to only those employees covered by this section who are still employed as a full-time management or confidential employee with the City as of the effective date of this agreement.

**PASSED AND ADOPTED** by the City Council of Morgan Hill at a Regular Meeting held on the 21<sup>st</sup> day of June, 2006, by the following vote.

**AYES:            COUNCIL MEMBERS:**  
**NOES:           COUNCIL MEMBERS:**  
**ABSTAIN:       COUNCIL MEMBERS:**  
**ABSENT:        COUNCIL MEMBERS:**

**☞ CERTIFICATION ☞**

**I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA**, do hereby certify that the foregoing is a true and correct copy of Resolution No. adopted by the City Council at the Regular Meeting on June 21, 2006.

**WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.**

DATE: \_\_\_\_\_

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**IRMA TORREZ**, City Clerk

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